



Monthly Inflation Review • July 2019

According to statistical data, the headline inflation¹ in July 2019 has made 0,9% that is less by 0,2 percentage points (p.p.) compare to the same month of the previous year.

The analysis shows that changes in prices for non-food products and tariffs for services has continued its stable tendency as for previous months, and share of food products (flour of first grade, meat, rice and vegetables) from the beginning of the year due to influence of external, demand and seasonal factors is more in occurred inflation.

In the reporting month the upward inflation pace has occurred due to rise in prices for food products by 1,4% (its share in the inflation 0,7 p.p.), non-food products by 0,3% (0,1 p.p.) and services by 0,4% (0,1 p.p.).

In the structure of food products it is mainly increased prices for meat products by 2,9% (including beef – 3,5% and lamb – 2,6%) and vegetables by 5,2% (potato – 13,3% and carrot by 14,3%) and fruits on 2,2% (watermelon – 25,9% and melon – 18,4%).

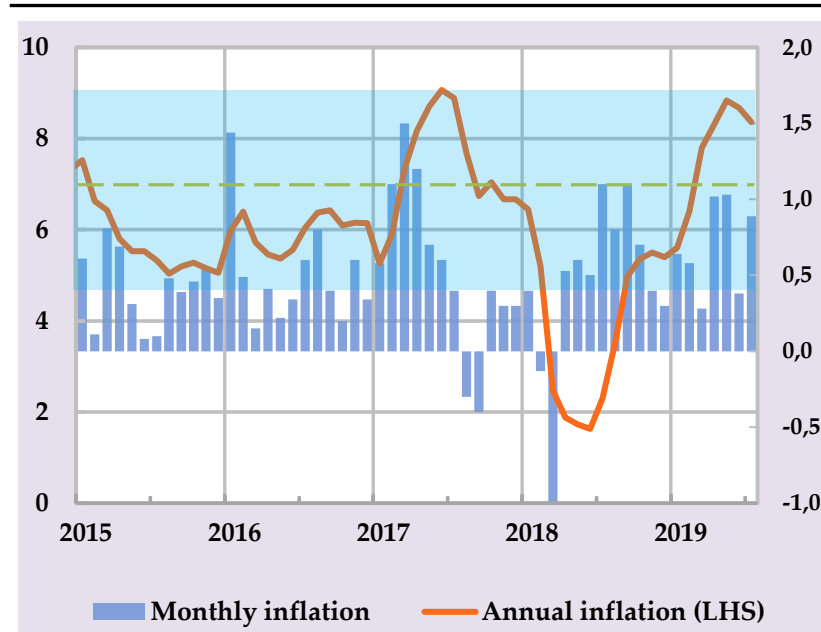
According to monitoring the prices for meat in the country within 7 months (January – July) of the 2019, has increased by 18,4% in comparing with the same period of the last year is more for 14,1%. As it is known meat is considered as one of most consumable product of population (its share in consumer basket – 5,4%), and gradual increase of price in the country has started since May of the current year.

At the same time, in the structure of non-food products for the reporting month, the rise in prices mainly observed on washing-up liquids, clothes and footwear which in general made contribution by 0,1% of non-food products.

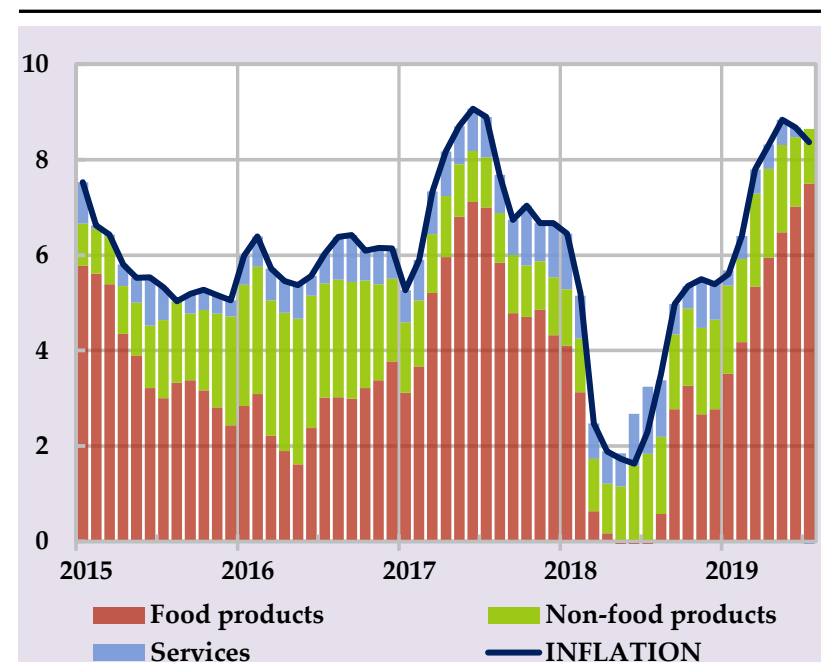
The prices and tariffs for services in the reporting month mainly had a stable change trend and basically has occurred due to rise in tariffs of transporting, housing-and-municipal services.

Consequently, the annual inflation (for the last 12 months) in July of 2019 had a downward tendency

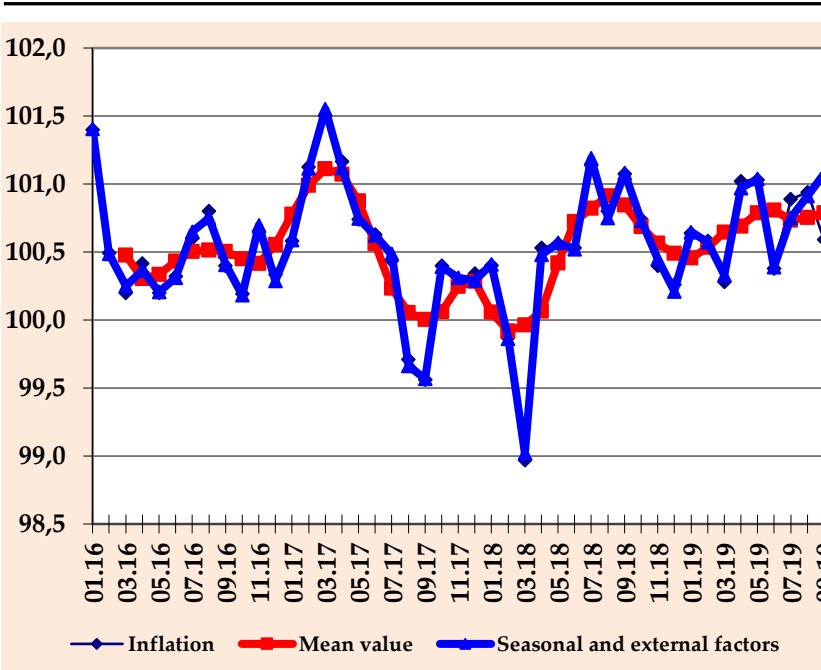
Monthly and annual Inflation, in %
(Source: Statistical Agency , NBT estimations)



Contribution of Components to Inflation, in %, annual
(source: Statistical Agency, NBT calculations)



Influence of seasonal and external factors on inflation, in %
(Source: NBT estimations)



and became 8,4% that is less on 0,3 p.p in compare to previous month.

Quarterly inflation change trend (excluding influence of seasonal factors) with compare to the same month of previous year has decreased in consequences of decline in prices for non-food products and services.

Core inflation rate** in July of the current year has made 0,5 %² (m/m) and 2,1%³ (yoy) that showing on limiteded of influence of monetary factors on prices level.

According to the analysis inflation trend based on inflation expectations and reduction of influence of external factors and seasonal shocks, stabilization of supply and demand has become relatively stable and will be maintained within projected indicator.

The National Bank of Tajikistan, with the view of prevention of additional pressure on inflation and achievement of targeted indicator the end of year, will continue to implement accommodative monetary policy.

Core inflation, in %, annual
(Source: Agency on Statistic, NBT estimations)



¹- Agency of Statistics

²- m/m –month on month (monthly change)

³- y/y – year on year (annual change)

p.p- percentage point

*Monetary Policy Committee a NBT which has taken place on August 2, 2017, for the purpose of transition from monetary targeting to inflation targeting established and published a inflation target indicator for medium-term period.

** Core inflation, which reflects the long-term tendency of the prices without influence of short-term fluctuations the calculated by the NBT with a view of estimation and analysis of constant process of change of a price level on the basis of State Statistical Agency under the President of the Republic of Tajikistan data. As one of components of common inflations (Consumer Price Index), core inflation reflects a steady and long-term trend of change of prices, caused by influence of factors of internal demand and monetary character. The basic method of calculation of core inflation - exclusion method which means exclusion of separate categories of production and services which have shown greatest volatility, not connected with considerable price changes. The item of products, prices (components) which are subject to short-term and transitive fluctuations which are independent on influence of non-monetary factors, including supply factors (world prices, environment), seasonal and administrative factors is excluded from consumer price index basket. That is, raw food products, combustible materials and administratively adjustable services are not included at calculation of core inflation.

*** Government regulation from 22 June 2019 year, №329 «About tariffs for electricity and hot water»

Consumer price index*																	
	Weight, %	annual change														July, monthly change, %	
		2015	2016	2017	2018					2019							
					January	March	June	September	December	January	February	March	April	May	June		July
Inflation	100,0	5,1	6,1	6,7	6,5	2,5	1,6	5,0	5,4	5,6	6,4	7,8	8,3	8,8	8,7	8,4	0,9
Food and non-alcoholic beverages	53,1	3,8	6,4	7,7	7,3	0,9	-2,1	4,8	4,9	6,3	7,9	10,2	11,4	12,4	13,5	14,7	1,4
Bread and bread products	17,5	9,1	-2,5	-0,8	-0,9	-3,4	-4,2	4,5	8,9	13,2	15,8	19,7	18,8	18,4	18,8	16,8	0,1
Rise	2,9	11,6	-9,2	-6,9	-7,0	1,9	8,1	15,8	19,5	20,7	21,9	22,1	25,2	25,4	24,8	22,6	1,7
Flour	10,7	7,8	-3,0	0,3	0,2	-6,0	-8,2	3,9	9,9	16,0	18,7	25,3	22,7	21,4	22,1	19,6	-0,3
Meat and meat products	8,3	-10,2	3,7	13,8	14,0	13,5	4,9	6,7	8,6	9,4	10,2	10,4	11,4	14,3	18,0	19,5	2,9
Beef	5,4	-14,3	3,2	14,7	15,0	14,0	3,0	6,1	8,9	9,7	11,2	11,4	12,9	17,2	21,8	23,7	3,5
Eggs	1,5	5,5	12,0	1,0	0,1	-0,6	0,1	7,7	3,9	1,8	-2,0	6,6	-3,1	7,8	6,0	5,0	-10,8
Milk and dairy products	1,7	7,3	0,4	4,4	3,7	2,3	3,7	3,4	4,1	2,6	2,4	3,1	3,2	2,0	4,8	4,2	-0,4
Milk	0,5	16,1	-7,2	6,3	6,3	-2,2	0,7	-1,4	1,3	-2,1	-1,6	0,0	2,3	-1,6	2,7	1,8	-0,7
Plant and Animal Oil	5,7	12,7	11,3	1,3	0,0	-2,5	-0,8	4,7	9,2	9,1	9,6	10,4	8,1	8,5	5,2	2,1	0,5
Fruit	4,3	12,3	16,7	-1,8	-0,3	6,4	24,2	18,2	4,0	2,3	-3,0	-4,0	-12,2	-16,0	-15,5	-15,2	2,2
Vegetables	6,6	-12,4	16,5	40,2	37,1	-6,4	-23,8	-1,4	-10,7	-9,7	-3,6	3,7	18,7	25,5	33,1	53,2	5,2
Sugar	2,4	19,3	15,0	-6,7	-7,3	-10,1	-11,2	-11,3	2,7	4,4	4,5	5,7	6,3	6,1	-0,6	0,3	0,0
Soft drinks	1,3	13,7	19,9	1,6	2,7	0,6	3,3	3,6	2,8	2,5	5,4	5,1	8,3	6,7	6,2	5,7	0,1
Catering**	0,9	14,9	19,9	2,7	2,7	3,9	3,9	6,9	8,0	8,0	6,7	6,7	8,1	8,1	8,1	8,1	0,1
Alcoholic beverages and tobacco	1,4	15,9	11,8	6,2	6,2	8,0	4,7	6,4	5,4	6,5	4,6	3,8	3,8	3,5	3,5	2,1	0,0
Non-food products	29,2	7,9	5,7	4,4	4,3	4,0	5,8	5,7	6,4	6,3	5,6	6,3	6,0	5,9	4,7	3,7	0,3
Clothes and shoes	9,7	9,2	14,5	9,2	2,5	3,0	4,9	4,6	5,6	14,4	14,3	14,7	14,4	14,4	13,5	13,1	0,3
Repair and construction materials	3,7	2,2	-0,9	2,4	2,5	4,9	6,1	7,0	7,3	7,8	5,5	6,0	5,9	5,2	5,2	4,6	0,0
Detergents	1,8	15,5	1,2	4,0	3,1	4,0	0,7	3,2	6,2	6,2	6,1	7,0	8,0	7,9	9,0	7,0	0,4
Medicine	2,9	24,7	14,1	1,0	0,7	2,2	1,9	9,2	10,4	10,7	6,3	6,4	9,2	16,7	18,1	14,8	-0,1
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	14,1	26,4	14,1	12,2	7,2	3,0	5,4	2,3	0,4	-10,6	-14,1	-1,2
Other Heating Products	1,3	19,0	3,0	0,9	0,4	-8,1	-8,9	-8,9	-8,4	-8,4	-4,5	-5,0	-12,8	-13,2	-12,7	-13,0	-0,3
Vehicle	0,9	-2,0	0,0	0,0	0,0	0,1	4,4	4,4	5,2	5,2	8,3	8,1	6,9	2,1	0,4	0,9	0,5
Other personal effects	1,5	7,6	7,1	8,6	7,3	9,1	11,9	8,4	8,3	8,7	8,5	8,5	7,8	6,9	4,9	2,8	-0,1
Services	15,2	2,2	4,5	7,7	7,9	5,0	7,3	4,3	4,9	2,1	3,1	3,4	3,3	3,4	1,3	-1,9	0,4
Housing and communal	5,2	3,2	9,8	17,5	17,1	11,7	20,5	11,3	10,8	9,8	9,6	12,3	10,5	9,4	3,2	1,9	-0,9
Rental of property	0,2	14,3	0,0	0,0	0,0	1,4	4,6	5,0	5,0	5,0	5,0	6,5	6,5	3,3	3,3	3,3	0,0
Water and garbage collection fee	0,7	20,1	5,1	9,1	11,6	8,4	9,5	9,5	9,4	8,4	8,4	8,7	8,7	8,2	8,2	8,2	0,0
Electricity	2,6	0,0	28,6	14,7	15,0	15,0	14,9	14,7	14,9	14,6	14,6	14,6	14,4	14,4	14,4	14,4	0,0
Hot water	0,0	14,6	0,0	0,0	0,0	0,0	0,0	0,0	1,5	1,5	1,5	1,5	1,5	1,5	1,5	1,5	0,0
Gas	1,1	-6,3	-6,6	40,1	35,7	8,5	52,3	8,7	6,2	2,8	0,9	14,1	4,8	0,5	-23,3	-28,2	-5,1
Transport	4,4	-2,3	-1,4	2,8	5,0	0,7	-0,6	-0,7	2,9	-4,8	-0,7	-2,4	-1,0	-0,2	-0,2	-11,2	-0,6
communication	1,6	0,8	0,0	1,3	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,0	0,1	0,0	0,1	0,1	0,0
Education	1,6	2,6	11,3	5,3	2,0	1,5	1,5	0,2	0,3	0,7	0,7	0,7	0,7	0,7	0,7	0,6	-0,1
Health	0,8	14,0	1,9	1,7	1,3	1,3	1,3	1,3	1,3	0,0	0,0	0,0	0,0	0,0	0,0	13,8	13,8
Household	1,9	12,3	5,2	1,1	0,9	1,5	2,9	1,8	3,3	3,3	2,9	3,2	3,4	3,7	3,2	4,1	1,0

* - The dining room, café and restaurant

**The given name of goods. Products and services in general form or consumer goods. Detailed information about name of goods (on consumer basket from 546 types) which is available on the website of the Statistics Agency under the President of the RT.

** - The dining room, café and restaurant.